Government of Saskatchewan

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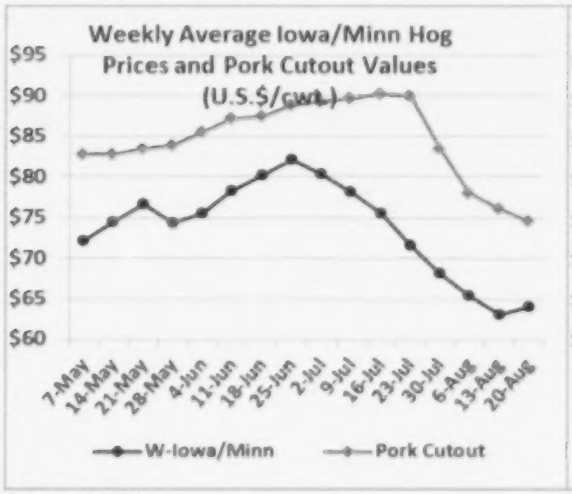
Weekly Hog Report

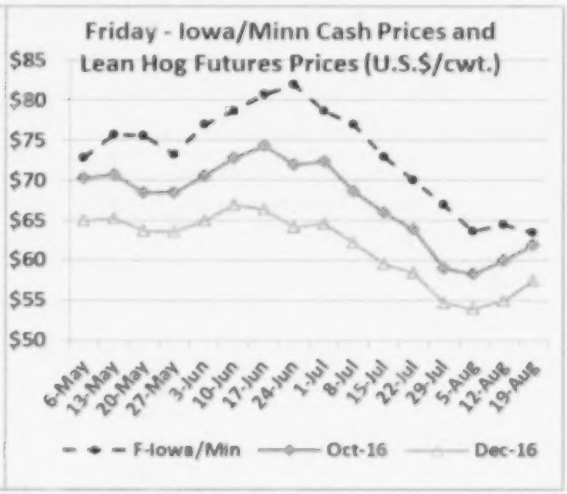
August 22, 2016

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) were mixed but higher early in the week before declining to end the week lower, week-over-week. Hog prices on Friday August 19 averaged US$63.44 per cwt, down US$1.05 per cwt or 1.6 per cent from US$64.49 per cwt the previous Friday. However, weekly average prices still managed to edge higher. The negotiated base price last week averaged US$63.93 per cwt, up US$0.90 per cwt or 1.4 per cent from US$63.03 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

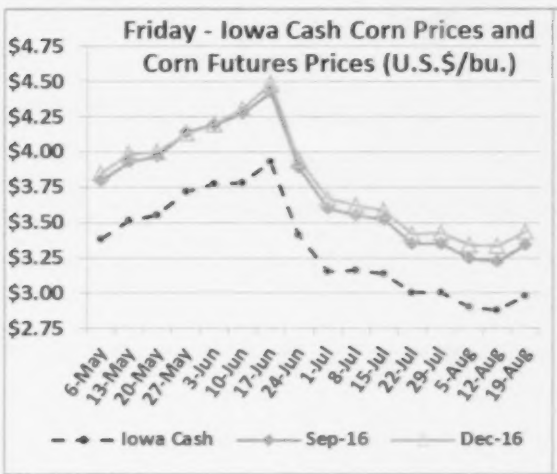
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday August 19, 2016 was $148.20 per ckg, down $1.36 per ckg or 0.9 per cent from $149.56 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $150.92 per ckg, up slightly from the previous weeks' average price of $150.85 per ckg. The Canadian dollar moved higher early last week passing 78 cents on Wednesday before declining to close Friday at 77.78 cents, still up 0.63 cents from 77.15 cents the previous Friday.

Futures Markets

United States lean hog futures daily prices were mixed over the week with some nice gains Monday and Wednesday to end the week higher, week-over-week. The nearby October contract increased US$1.925 per cwt to settle Friday at US$61.925 per cwt. The December contract increased US$2.50 per cwt to settle Friday at US$57.450 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed last week. Weighted average cash prices for iso-weans (12lb) last week were US$20.76 per head, steady from US$20.72 per head the previous week. Feeders (40lb) averaged US$27.73 per head, down $1.97 per head from US$29.70 per head, the previous week.



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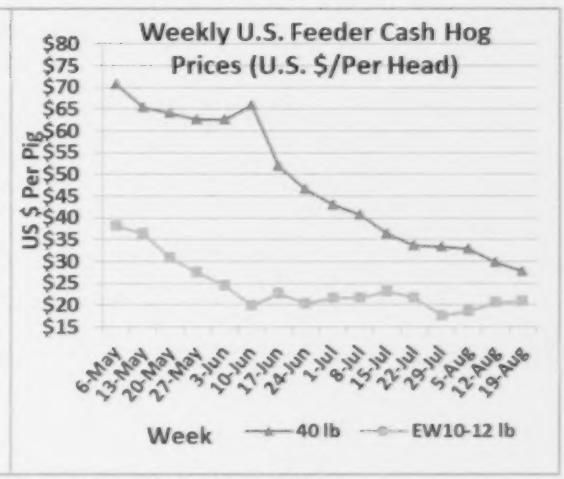

Source: Iowa Agriculture, CME

U.S. corn prices moved higher last week. Iowa cash corn prices increased ten cents over the week to settle Friday at US$2.98 per bushel. The September 2016 corn futures contract increased twelve cents per bushel last week to settle Friday at US$3.34 ¼ per bushel, while the December 2016 corn contract increased almost eleven cents to settle Friday at US$3.43 ¾ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending August 20 were estimated at 2.291 million head, up 2.5 per cent from 2.236 million head the previous week, and up 2.7 per cent from 2.231 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks ending August 20 averaged 2.230 million head per week, up 2.6 per cent from 2.173 million head the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending August 13, 2016 were estimated at 409,226 head, up 12.0 per cent from 365,351 head the previous shorter holiday week, and up 8.5 per cent from 377,083 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 394,483 head, down 0.8 per cent from 397,679 head over the same period in 2015. Year-to-date for 2016 hogs slaughtered in Canada totaled 12,907,617 head, up 1.4 per cent from 12,731,787 head the same period in 2015. In Western Canada, hogs slaughtered year-to-date for 2016 totaled 5,329,915, up 1.2 per cent from 5,265,896 head over the same period in 2015.
(Source: Agriculture and Agri Food Canada/Canadian Food Inspection Agency)

Meat Production

U.S. pork production for the week ending August 20, 2016 was estimated at 476.0 million lb., up 2.2 per cent from 465.7 million lb. the previous week, and up 2.1 per cent from 466.3 million lb. the same week a year ago. Lighter hog weights helped minimize pork production gains compared to increases in hog slaughter numbers. Pork production over the last four week's ending August 20 was estimated to average 463.3 million lb., up 2.0 per cent from 454.3 million lb. over the same four week period a year ago.

U.S. beef production for the week ending August 20 was estimated at 492.1 million lb., up 3.8 per cent from 474.1 million lb. the previous week, and up 7.9 per cent from 455.9 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending August 13, 2016, was estimated to average 2.059 billion lb., up 3.7 per cent from 1.985 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2016 is estimated to be up 2.7 per cent compared to the same period in 2015.

United States Weekly Meat Production

(Aug. 13) Four Week Average - Million Lb.			Percent Change	
	2015	2016	4 Week	YTD 2016
Pork	447.5	455.8	1.9%	0.3%
Beef	444.3	479.6	8.0%	5.0%
Chicken	973.7	993.2	2.0%	2.6%
Turkey	119.8	130.8	9.2%	4.4%
Total	**1,985.3**	**2,059.4**	**3.73%**	**2.69%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending August 20, 2016 averaged US$74.60 per cwt, down 1.9 per cent or US$1.45 per cwt from US$76.05 per cwt the previous week, and down 15.8 per cent from US$88.59 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending August 20, 2016 averaged US$201.24 per cwt over the week, up 0.3 per cent or US$0.70 per cwt from US$200.54 per cwt the previous week, but down 18.1 per cent from US$245.75 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending August 20, 2016 averaged US$149.09 per cwt, up 7.7 per cent or US$10.62 per cwt from US$138.47 per cwt the previous week, and up 2.6 per cent from US$145.31 per cwt the same week a year ago.

Canadian Hog Inventory

Statistics Canada released the July 1, 2016 hog inventory numbers last week. Total inventory of hogs in Canada for July 1, 2016, was estimated to be 13,450,000 head, up 1.9 per cent from 13,200,000 head on July 1, 2015.

The Canadian market herd inventory on July 1, 2016, was estimated at 12,206,500 head, up 2.0 per cent from 11,965,000 head on July 1, 2015. Market inventory numbers have increased from a year ago in all weight classes except the: under 7 kg, and 23 to 53 kg weight categories.

The Canadian breeding herd, consisting of sows and bred gilts, was estimated at 1,219,800 head on July 1, 2016, up 0.7 per cent from 1,211,800 head on July 1, 2015. (Source: Statistics Canada) The numbers continue to indicate some small growth in the Canadian hog industry.

In Saskatchewan, total hog inventory as of July 1, 2016, was estimated at 1,190,000 head, up 1.7 per cent from 1,170,000 head on July 1, 2015. Sow and bred gilt inventory as of July 1, 2016, was 102,500 head, up 1.2 per cent from 101,300 head a year ago.

According to Statistics Canada data, the total pigs born in Canada during the first half (January-to-June) of 2016 was estimated at 16,046,300 head, up 1.8 per cent from 15,761,200 pigs born during the first half of 2015. In Saskatchewan the total pig crop in the first half of 2016 was estimated at 1,322,500 head, up 4.3 per cent from 1,268,100 pigs in the first half of 2015.

In Canada, the number of sows bred to farrow in the second half (July-to-December) of 2016 is estimated at 1,272,300 head, up 0.4 per cent from 1,266,600 head over the same period (second half) in 2015. In Saskatchewan, the number of sows bred to farrow in the second half of 2016 is estimated at 107,300 head, up 2.4 per cent from 104,800 head during the second half of 2015. Breeding indications are projecting continued small growth in the Canadian hog industry for 2016.

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